



HF 526 – Driver's Licenses, Fees to County (LSB1917HV)

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Fiscal Note Version – New

Description

House File 526 increases driver's license fees retained by county treasurers from \$7 to \$10 per license issued.

Background

Currently, county treasurers retain \$7 for each license issued in the county courthouse. These fees are intended to pay for expenses associated with issuing the license. Fees not retained by the counties are deposited in the Road Use Tax Fund (RUTF). Driver's licenses are being phased from a five-year expiration to an eight-year expiration. By FY 2019, all driver's licenses will be renewed every eight years. Driver's licenses may also be renewed online. These changes will reduce the frequency of driver's license renewals.

Assumptions

- An average of 985,000 driver's licenses are issued by the Department of Transportation (DOT) every year. Of the total, 414,000 are renewals and 571,000 are nonrenewal cards.
- Counties will issue 200,000 nonrenewal licenses and 123,000 renewal licenses.
- Once all driver's licenses are renewed every eight years, renewals issued by counties will decline to 77,000 per year.
- In FY 2019, the average number of renewals will decrease to 259,000 per year.
- Counties will issue 35.0% of all driver's licenses issued in Iowa.
- Driver's license renewals online will be 15.0% of all renewals.

Fiscal Impact

HF 526 will reduce revenue to the RUTF and increase revenue to counties by an estimated \$969,000 each year from FY 2016 through FY 2018. Revenue to the RUTF will be reduced by \$831,000 in FY 2019 and revenue to the counties will increase by \$831,000 in FY 2019.

Source

Iowa Department of Transportation

/s/ Holly M. Lyons

March 10, 2015

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
